Calendar No. 732

99TH CONGRESS
2d Session

SENATE

REPORT
99-336

RETIRED ENLISTED ASSOCIATION, INC.

JULY 21, 1986.—Ordered to be printed

Mr. THURMOND, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany S. 524]

The Committee on the Judiciary, to which was referred the bill (S. 524) to recognize the organization known as the "Retired Enlisted Association, Incorporated," having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The bill, S. 524, would grant a Federal charter to the organization known as the Retired Enlisted Association, Incorporated.

HISTORY

Bills to grant a Federal charter to the organization known as the Retired Enlisted Association, Incorporated, were first introduced in the 98th Congress (1984). The legislation was introduced as S. 3008 in the Senate by Senator Armstrong, and Representative Ken Kramer introduced H.R. 6277 in the House of Representatives. Both of the bills were reintroduced as S. 524 and H.R. 1436 by the same Members of Congress when the 99th Congress convened.

STATEMENT

The Retired Enlisted Association was incorporated in the State of Colorado on February 27, 1963. Membership in the organization is open to any enlisted person retired from the Armed Forces of the United States of America for length of service or permanently medically retired shall be eligible to become a member of TREA. Enlisted personnel on active duty with fifteen or more years of

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service and on an enlistment extending beyond the twenty year point shall be eligible to become an associate member. TREA is the fastest growing veterans organization in the United States today. Currently, it has a membership of over 40,000 retirees, with members in all 50 States. TREA is averaging 1,000 new members a month.

TREA is a not-for-profit retired military veteran's organization that seeks "to promote and assist its members professionally and culturally, both locally and nationally, to uphold the Constitution of the United States, to defend the United States from all her enemies, to improve the relationship between the military and civilian populace, and to maintain liaison with the active personnel of the Armed Forces."

National in scope due to the broad base of its membership, TREA would be on an equal footing with other veterans' organizations, which already have Federal charters, upon the receipt of a charter.

The purpose of this legislation is merely to recognize an existing organization chartered by the State of Colorado. It does not expand any corporate rights or relieve any corporate responsibility established by the Colorado charter. Moreover, this legislation specifically requires compliance with the laws of the District of Columbia, or of the States in which it is registered, governing the election of corporate officers and the responsibilities of the board of directors for the corporation. It also specifically requires compliance with existing D.C. and State laws governing service of process.

In order to ensure responsible and appropriate conduct on the part of the corporation, the legislation prohibits certain corporate acts and establishes certain requirements for the corporation. The legislation prohibits the loan or transfer of corporate income or assets to officers, members, or other persons (except for compensation or expenses) or the issuance of stock or the payment of dividends. The legislation further prohibits the corporation from claiming congressional approval or Federal Government authority for any of its activities, lobbying, or other political activity by the corporation. The legislation requires the corporation to keep certain records, to perform any of the requirements established by this legislation, or if the corporation fails to maintain its tax-exempt status, the Federal charter granted by this legislation will expire automatically as a matter of law.

In recognition of the merits of the organization, there is broad bipartisan support in the Senate for a Federal charter for the Retired Enlisted Association, Inc. S. 524 currently has 42 cosponsors.

Committee Vote

On June 5, 1986, with a quorum present, by voice vote, and without objection heard, the Committee on the Judiciary ordered the bill favorably reported.

Cost Estimate

In compliance with paragraph 11(a), rule XXVI of the Standing Rules of the Senate, the Committee estimates that enactment of this legislation will involve no direct additional expenditure to the

Government. The Committee notes the following letter from the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 9, 1986.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 524, a bill to recognize the organization known as the "Retired Enlisted Association, Incorporated", as ordered reported by the Senate Committee on the Judiciary, June 5, 1986. CBO estimates that no costs to the federal government or to state or local governments will result from enactment of this bill.

The Retired Enlisted Association, Inc., is a nonprofit corporation presently organized under the laws of the State of Colorado. S. 524 grants the corporation a federal charter. The corporation will continue to operate pursuant to its articles of incorporation filed in the state and the constitution and bylaws of the corporation. The bill places restrictions on some activities of the corporation, provides for annual audits of its accounts by independent certified public accountants, and requires an annual report to be submitted to the Congress.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

REGULATORY IMPACT

In compliance with paragraph 11(b), rule XXVI of the Standing Rules of the Senate, the Committee has concluded that this legislation does not create any new regulations with which the public must comply.

CHANGES IN EXISTING LAW

In compliance with paragraph 12, rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 524, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman).

UNITED STATES CODE

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TITLE 36—PATRIOTIC SOCIETIES AND OBSERVANCES

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CHAPTER 42—AUDITS OF FEDERALLY CHARTERED CORPORATIONS

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§ 1101. Definition of private corporations established under Federal law.

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(68) The Retired Enlisted Association, Incorporated

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